

**Appln No. 09/690,083**

**Amdt date May 6, 2005**

**Reply to Office action of January 6, 2005**

**REMARKS/ARGUMENTS**

Applicant thanks the Examiner for his careful consideration of this application. In response to the above-identified Office action, Applicant amends the application and seeks reconsideration, reexamination and allowance thereof. In this case, Applicant does not cancel or add any claims. Applicant amends claims 42, 72, 73, 104 and 106. However, claims 1-120 are pending.

**I. Summary of the Interview**

Applicant's attorney conducted an interview with the Examiner on April 19, 2005. During the interview the rejection of claim 1 under 35 U.S.C. §103 was discussed. Applicant sought clarification of the Examiner's rejection. Specifically, the Applicant's attorney requested clarification as to how the elements of "a processor programmed to authenticate a plurality of users on the computer network . . . wherein the processor includes a state machine for determining a state corresponding to availability of one or more commands" was taught by U.S. Patent No. 6,224,954. The Examiner was unable to provide an answer during the interview and stated that he would need to review his rejection. No agreements were reached during the interview.

**II. Claims Rejected Under 35 U.S.C. §103**

Claims 1-120 stand rejected under 35 U.S.C. §103 as being unpatentable over U.S. Patent No. 6,424,954 issued to Leon (hereinafter "Leon") in view of U.S. Patent No. 6,567,794 issued to Cordery et al (hereinafter "Cordery"). Applicant

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respectfully requests that the Examiner reconsider and withdraw these rejections of the claims.

In order to establish a *prima facie* case of obviousness the Examiner must show that the cited references teach or suggest each of the elements of the claim. Further, the proposed modification or combination of the prior art cannot change the principle of operation of the prior art invention being modified. See MPEP § 2143.01. In regard to claim 1, this claim includes the elements of "a processor programmed to authenticate a plurality of users on the computer network for secure processing of a value bearing item, wherein the processor includes a state machine for determining a state corresponding to availability of one or more commands." As pointed out during the interview with the Examiner on April 19, 2005, Applicant has reviewed the cited sections of Leon but has been unable to discern any part therein that teaches these elements of claim 1. Rather, the cited section of Leon, Figs. 1A and 1B show a system with a secure meter device 150 in communication via an RS-232 cable (Reference No. 122) with a single Personal Computer (PC) 120. Thus, it is unclear to the Applicant how these figures teach that the secure meter device can contain a processor that is able to "authenticate a plurality of users on the computer network." The Examiner indicated during the interview that he may have intended that the server system 130 in Figs. 1A and 1B contained the processor recited in claim 1. However, the sections of Leon that the Examiner cites for supporting the assertion that a processor including "the state machine for determining a state corresponding to availability of one or more

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commands" is taught by Leon all discuss the secure meter device (SMD). See the Abstract, figures 5A-7, and column 9 lines 35-67 of Leon which were cited by the Examiner. Thus, the Examiner has not established that the server or SMD of Leon teaches or suggests each of the elements of claim 1. Therefore, Applicant does not believe that Leon in view of Cordery teaches or suggests each of the elements of claim 1.

Further, Applicant believes the proposed combination of Cordery with Leon would change the principle of operation of Leon which is the primary reference. Leon teaches a system with a specialized secure meter device that maintains a set of security relevant data items (SRDIS) such as revenue registers and cryptographic keys and performs the secure processing required by a postage metering system. See column 4, lines 44-49 of Leon. The SMD and postal metering system are housed in a tamper-proof case and located in proximity to the host PC such that a printer, scale or similar peripheral device can be directly coupled to the postage meter system and SMD of Leon. See Figures 1A, 1B, 2A, 2B, 3A and 3B and column 2, lines 49-52 and column 4, lines 3-7 of Leon. The Examiner seeks to cure the defects of Leon by modifying Leon in view of Cordery. Specifically, the Examiner admits that Leon does not teach memory for storing security device transaction data and having a cryptographic module that is remote from the user. See page 3 of the Office action mailed January 6, 2005. However, Cordery explicitly teaches away from such a combination with Leon and this combination would further change the operating principle of Leon. Cordery teaches a system utilizing a virtual postage

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metering system that is accessed at a remote data center. See column 4, lines 8-25 of Cordery. The system is specifically designed to avoid the use of physical meters such as those taught in Leon. See column 4, lines 10-13 of Leon. Thus, one of ordinary skill in the art would not think to combine the virtual system of Cordery with the physical meter system of Leon. Further, the proposed modification of Leon to place the physical meter of Leon at a remote location or to somehow modify the physical meter of Leon to be virtual in the manner of the Cordery system changes the principle of operation for Leon by making it a virtual system as opposed to a physical meter system and renders Leon unfit for its intended purpose. By making the postage metering system of Leon remote from the user, the user is not able to locally access or use in combination with the physical meter of Leon a scale plugged in to the physical meter or a printer that is part of the physical meter as taught by Leon. Thus, combining the virtual system of Cordery which is executed on the remote data center with the physical postage device of Leon is improper. Thus, the Examiner has failed to establish a *prima facie* case of obviousness over Leon in view of Cordery. Accordingly, reconsideration and withdrawal of the obviousness rejection of this claim are requested.

In regard to claims 2-41, these claims depend from independent claim 1 and incorporate the limitations thereof. Thus, at least for the reasons mentioned above in regard to independent claim 1 these claims are not obvious over Leon in view of Cordery. Accordingly, reconsideration and withdrawal of the obviousness rejection of claims 2-41 are requested.

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In regard to claims 42, 72 and 104, these independent claims include elements similar to those in claim 1. Specifically, claim 42 includes the elements of "a plurality of remotely located users," "authenticating the plurality of users for secure processing of a value bearing item" and "determining a state in a state machine for availability of one or more commands." Claim 72 includes the elements of "a plurality of user terminals coupled to the computer network" and "a plurality of cryptographic devices remote from the plurality of user terminals and coupled to the computer network, wherein the plurality of cryptographic devices manages value available to users and includes a state machine for determining a state corresponding to one or more commands available to an authenticated user." Claim 104 includes the elements "one or more of a plurality of cryptographic devices remote from the plurality of user terminals, wherein each of the cryptographic devices manages value available for the value bearing items" and "determining a state in a state machine for availability of one or more commands." The Examiner offers identical citations to Leon as teaching each of these elements of the claims. Namely, the Examiner cites Figures 1A and 1B as teaching these elements of the claims. Applicant has reviewed the cited sections of Leon and for the reasons mentioned above in regard to independent claim 1, does not believe that Leon teaches these elements of the claims.

Further, the Examiner relies on a combination of Cordery with Leon to teach or suggest additional elements of each of these claims. For the reasons mentioned above in regard to

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independent claim 1, Applicant does not believe that Cordery can be properly combined with Leon to teach or suggest these elements of the claims. In addition, each of these claims includes reference to "a plurality of cryptographic devices" or similar elements. Applicant does not believe that either Leon or Cordery teach or suggest a plurality of cryptographic devices as recited in each of these claims. Therefore, the Examiner has failed to establish a *prima facie* case of obviousness for each of these claims. Accordingly, reconsideration and withdrawal of the obviousness rejection of claims 42, 72 and 104 are requested.

In regard to claims 43-71, 73-103 and 105-120, these claims depend from independent claims 42, 72 and 104 and incorporate the limitations thereof. Thus, at least for the reasons mentioned above in regard to the independent claims. these claims are not obvious over Leon in view of Cordery. Accordingly, reconsideration and withdrawal of the obviousness rejection of these claims are requested.

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**CONCLUSION**

In view of the foregoing, it is believed that all claims now pending, namely claims 1-120, patentably define the subject invention over the prior art of record and are in condition for allowance, and such action is earnestly solicited at the earliest possible date. If the Examiner believes that a telephone conference would be useful in moving the application forward toward allowance, the Examiner is encouraged to contact the undersigned at (626) 795-9900.

Respectfully submitted,

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By

  
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